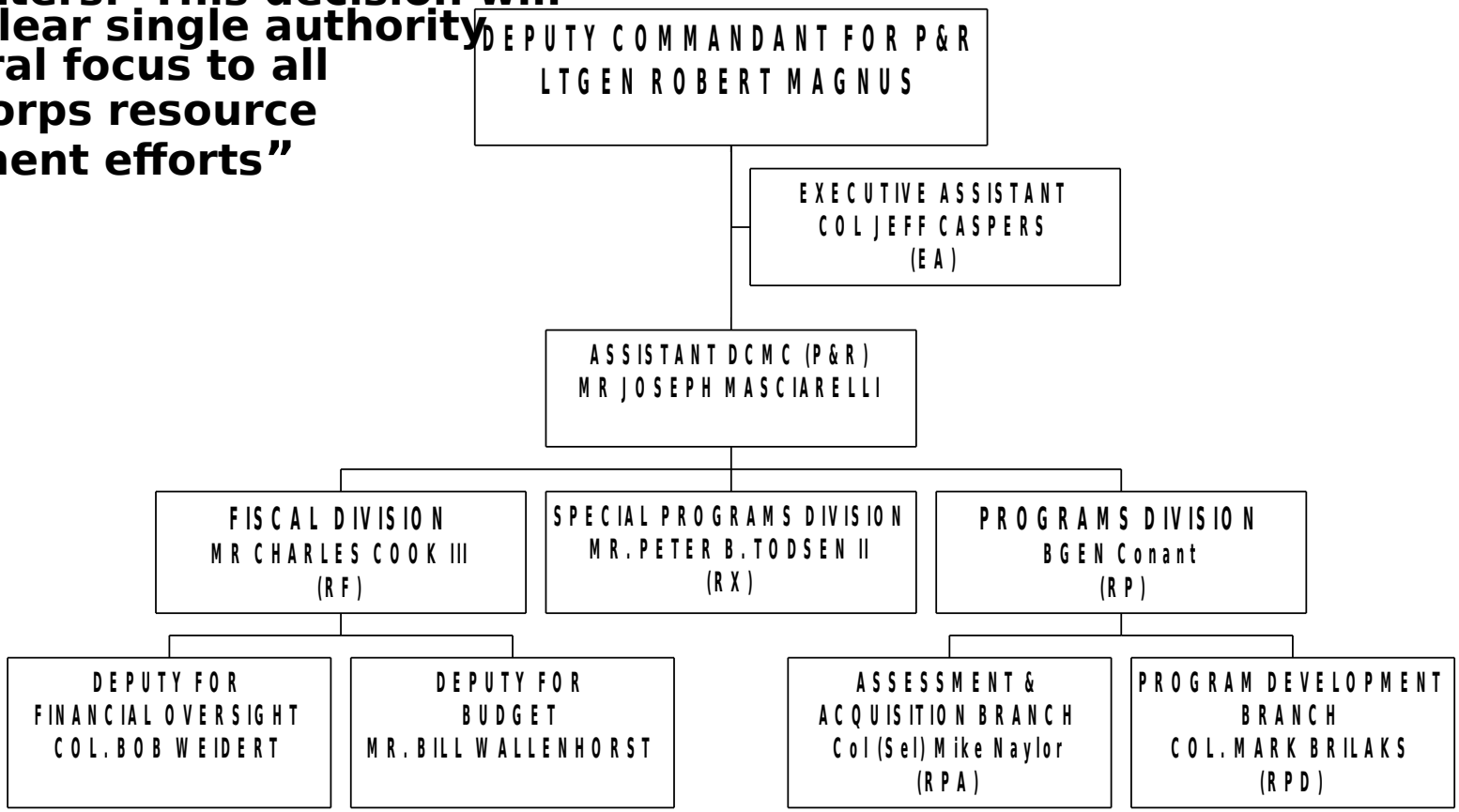
Planning, Programming, Budgeting and Execution Process

Col Mark Brilakis
Branch Head, Program Development & Coordination
HQMC, Programs and Resources
703-692-5737

Programs and Resources Department

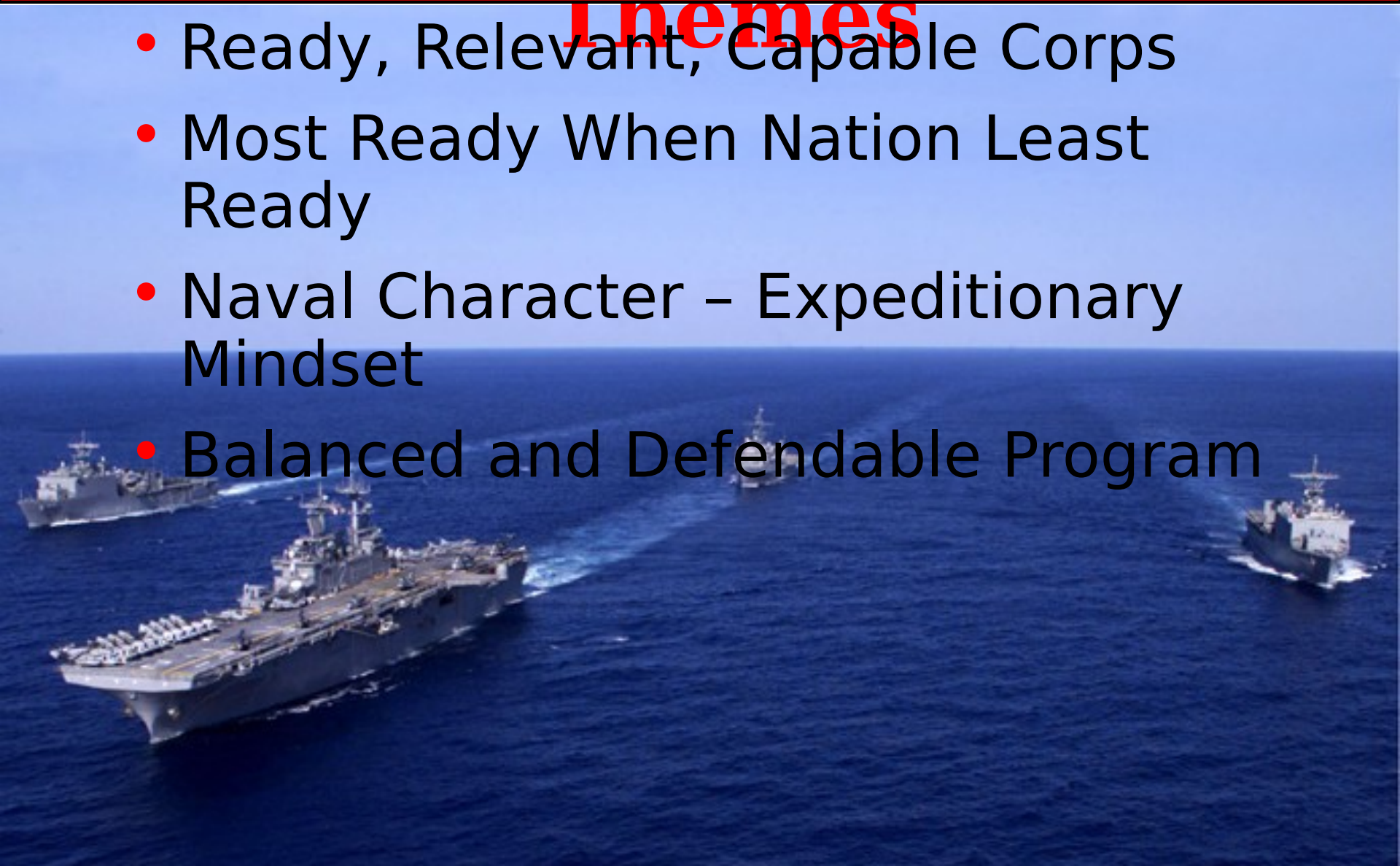
"Deputy Commandant P&R will assume total responsibility for all Marine Corps PPBS matters. This decision will provide clear single authority and central focus to all Marine Corps resource development efforts"



Vision Without Resourc
is a
Hallucination”

Enduring USMC Themes

- Ready, Relevant, Capable Corps
- Most Ready When Nation Least Ready
- Naval Character – Expeditionary Mindset
- Balanced and Defendable Program



Agenda

- Introduction
- The Programming Environment
- The USMC POM Process
- Issues
- Summary

Balancing Priorities

SECDEF's
Top Priorities
1. Readiness
2. **Transformation**
3. Select Modernization
4. Increase Tooth-to-tail
5. Priority Infrastructure

-DPG 2003

SECNAV's
Top Priorities
1. Train, Deter, Fight & Win Nation's Battles
2. Emphasize Quality of Service
3. Advance Technology and Sustain Robust S&T Effort
4. **Business Practices**

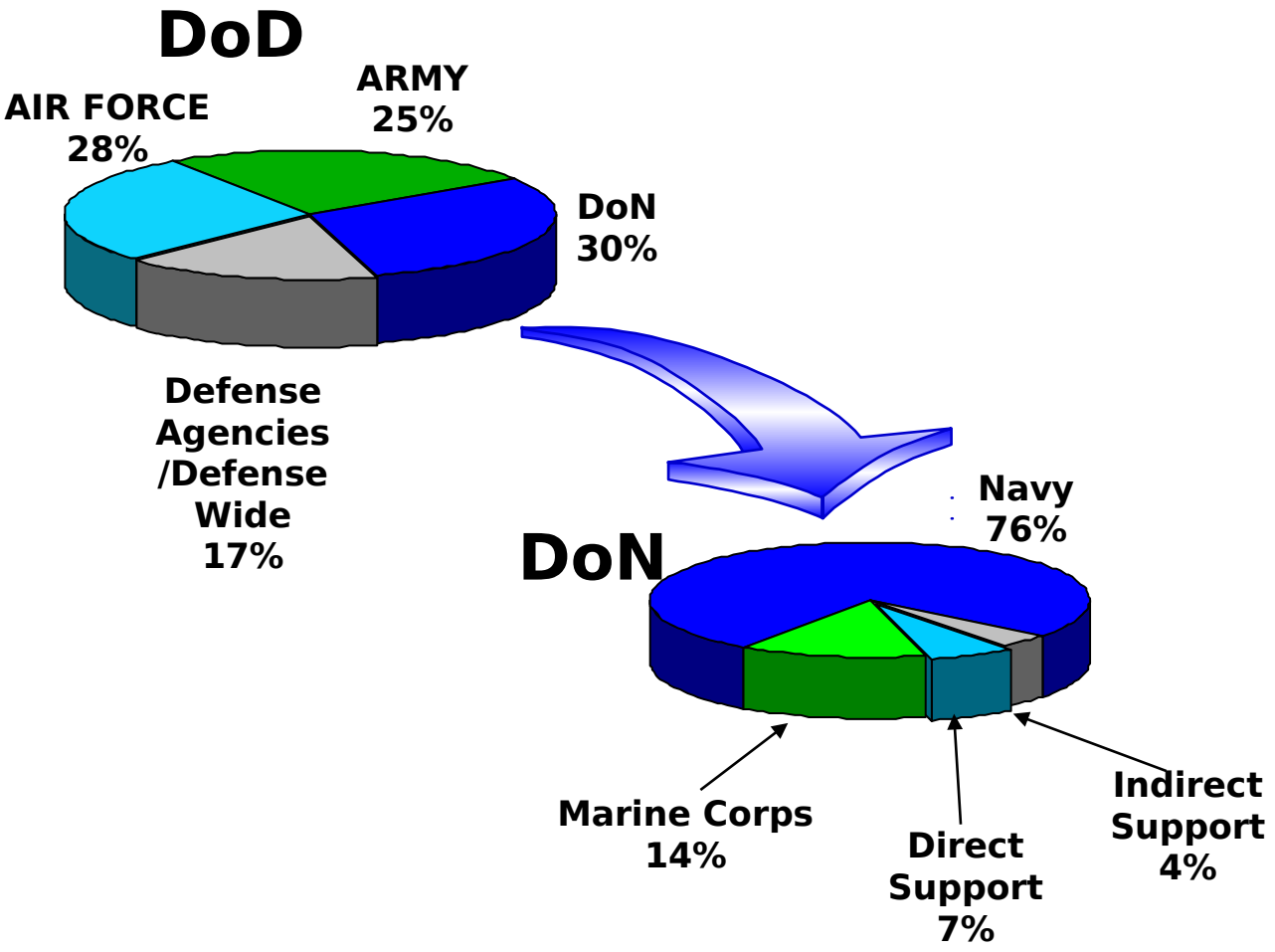
-2003 Strategic Guidance

CMC's
Top Priorities
1. Sustain Our Unique Culture and Core Values
2. Marines and their Families
3. Remain Relevant to Current and Future Threats
4. Adapt Processes to Changing Dynamic World
5. Main Effort **Excellence in Warfighting**

-2003 CMC Guidance

- **Invest significantly in our people**
- **Increase warfighting readiness**
- **Invest in transformation**

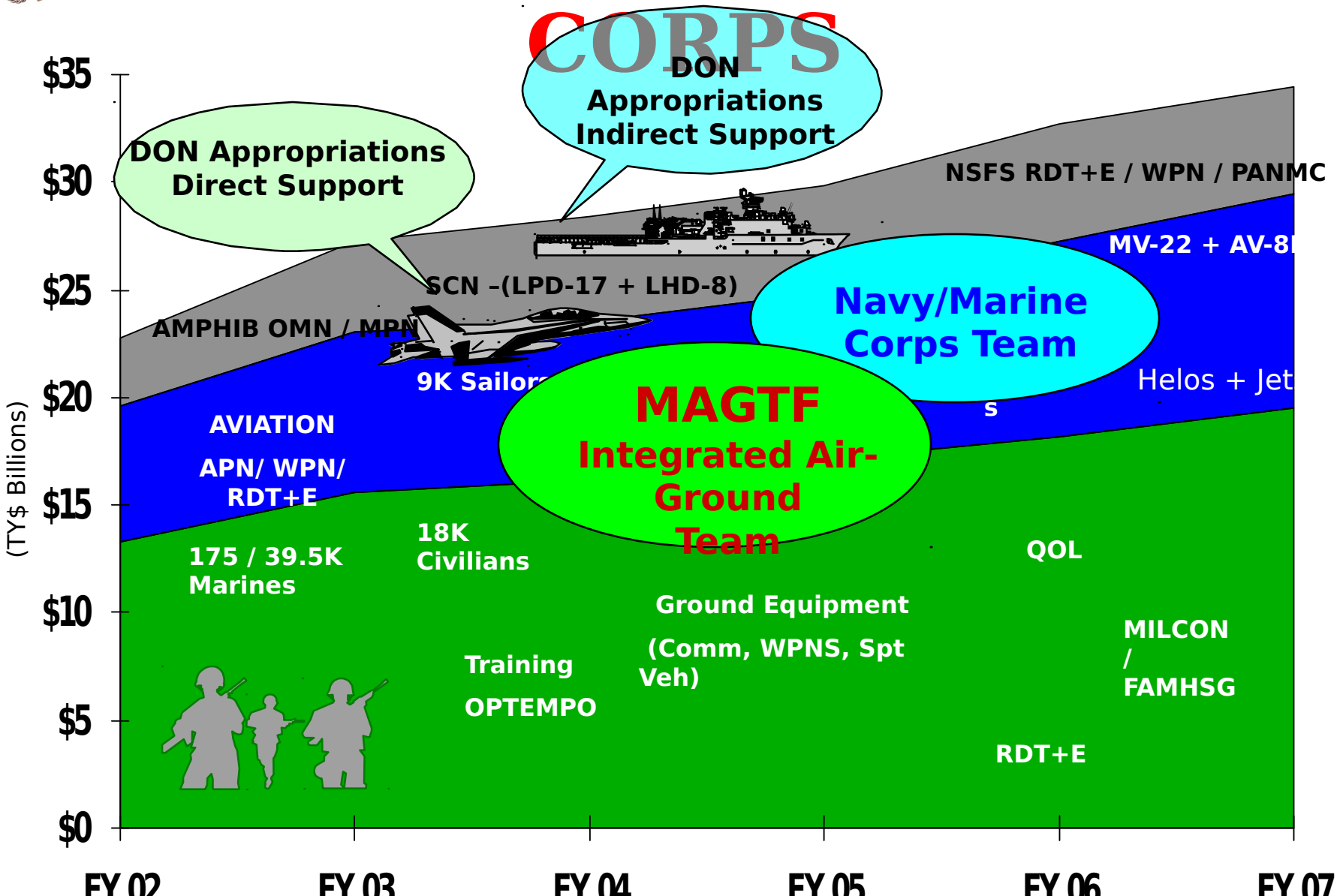
Cost of the Corps
(USMC Calculation - FYDP Avg)



7 %

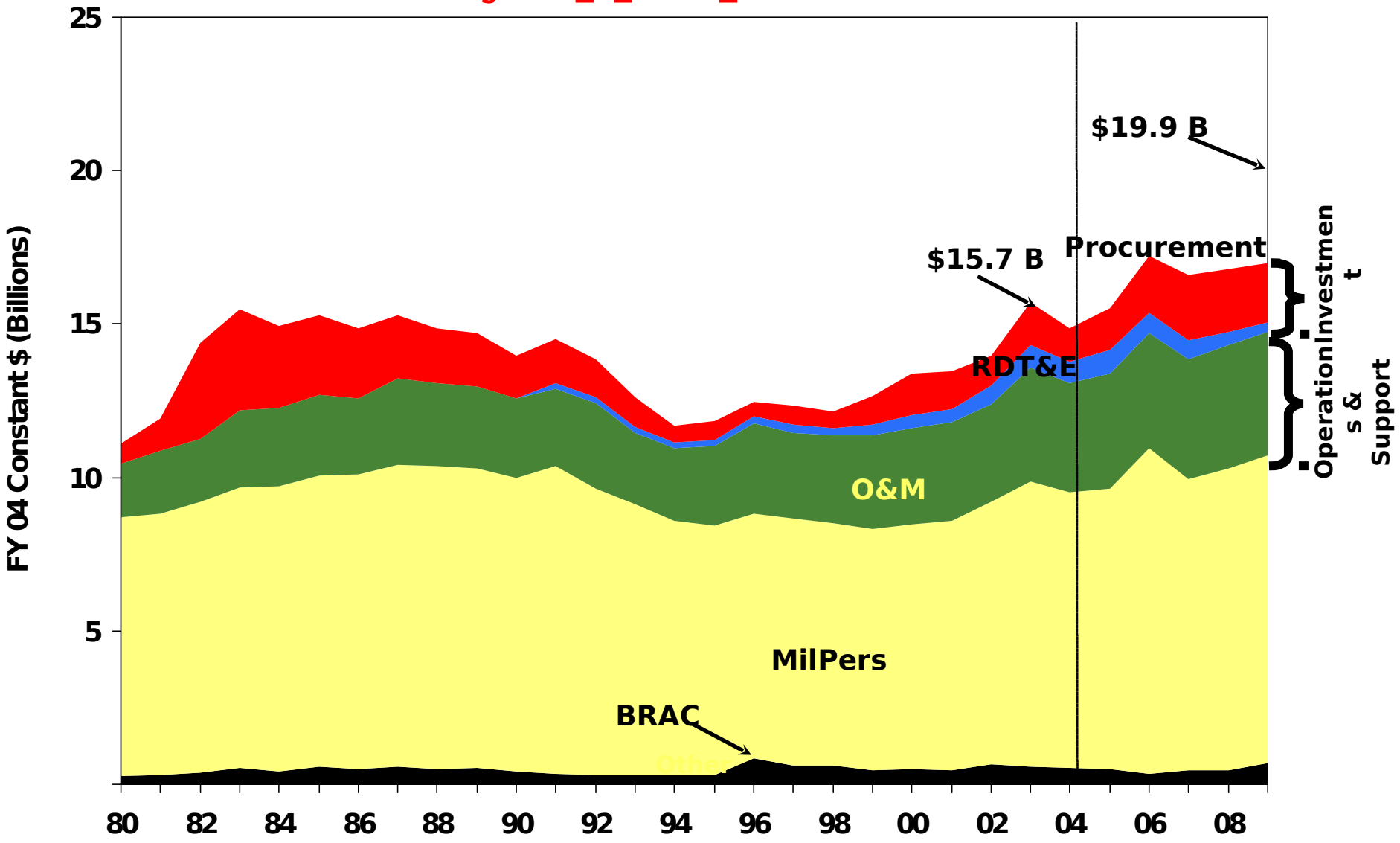
(USMC TOA + Direct) / DoD TOA

RESOURCING THE CORPS

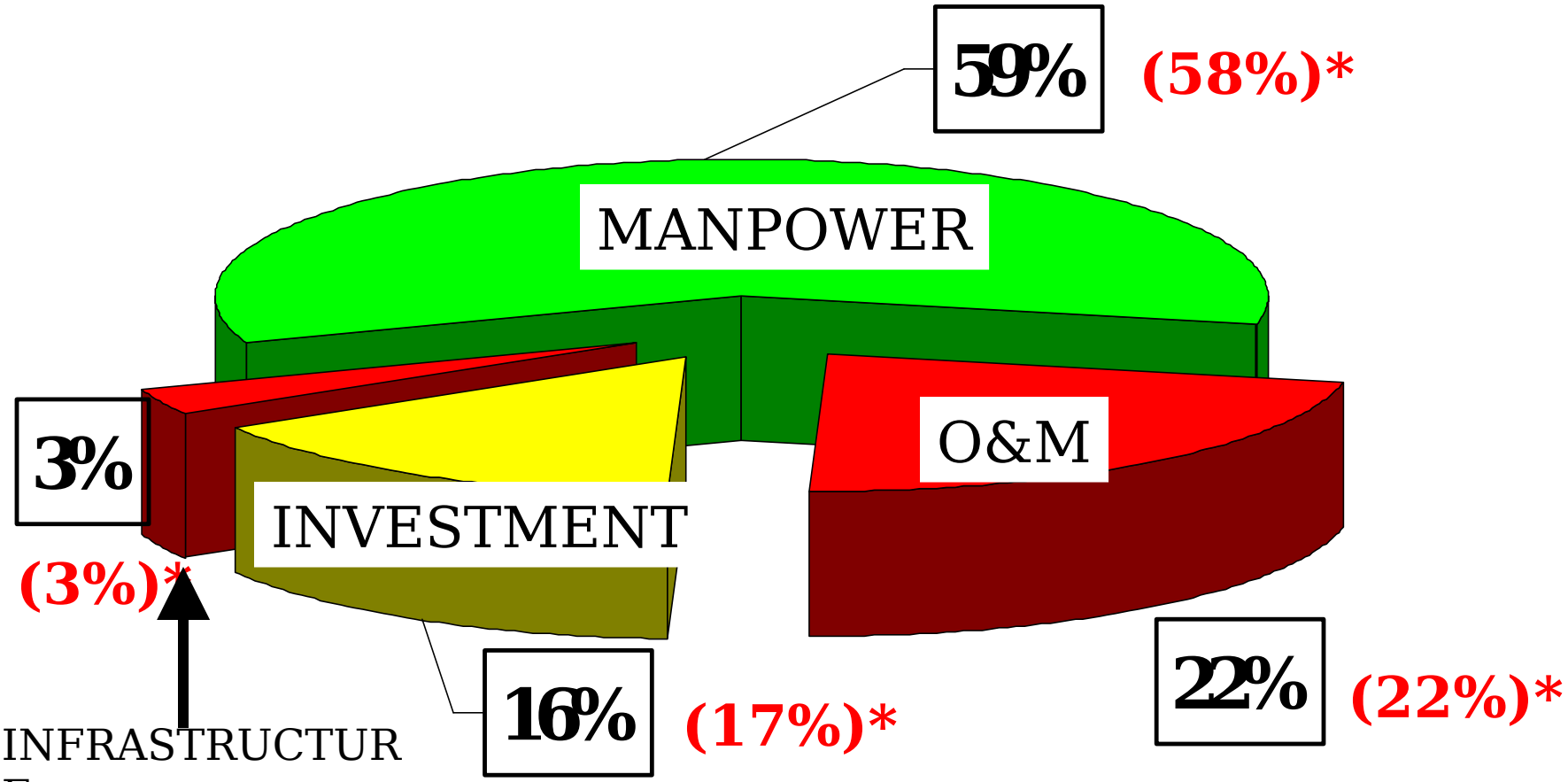


• PR03 DATA

Marine Corps Topline
By Appropriation



TOA POM 06
By Area



*(POM04)

WHAT DOES 7 PERCENT OF THE DOD BUDGET BUY?

Marine Corps Units Constitute…

- 20% of active ground maneuver battalions

- 33% of active ground combat service support forces

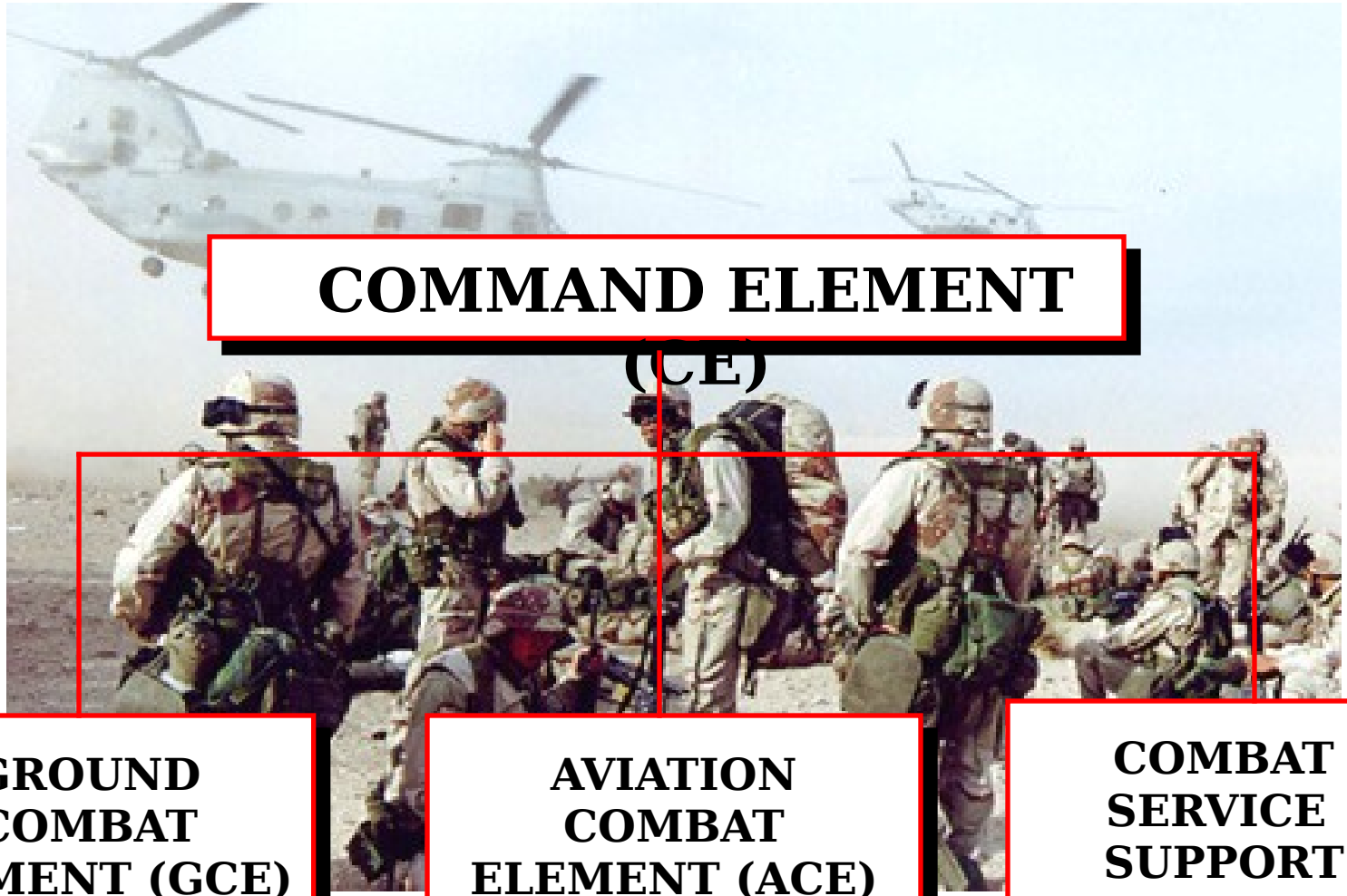
- 20% of active fighter/ attack …ons

- 17% of attack helicopters

Capability Based Force

- Forward Deployed and Rapidly Deployable Forces
- 3 MEFs, 4 numbered MEBs, 7 MEUs
- 175,000 Active Duty End Strength
- 39,558 Reserve End Strength
- Sustainable Forcible Entry
- Enhanced AT/FP & Incident Response

The MAGTF



COMMAND ELEMENT (CE)

GROUND COMBAT ELEMENT (GCE)

AVIATION COMBAT ELEMENT (ACE)

COMBAT SERVICE SUPPORT ELEMENT (CSSE)

SUPPORTING ESTABLISHMENT (SE)

Advocacy and Proponency

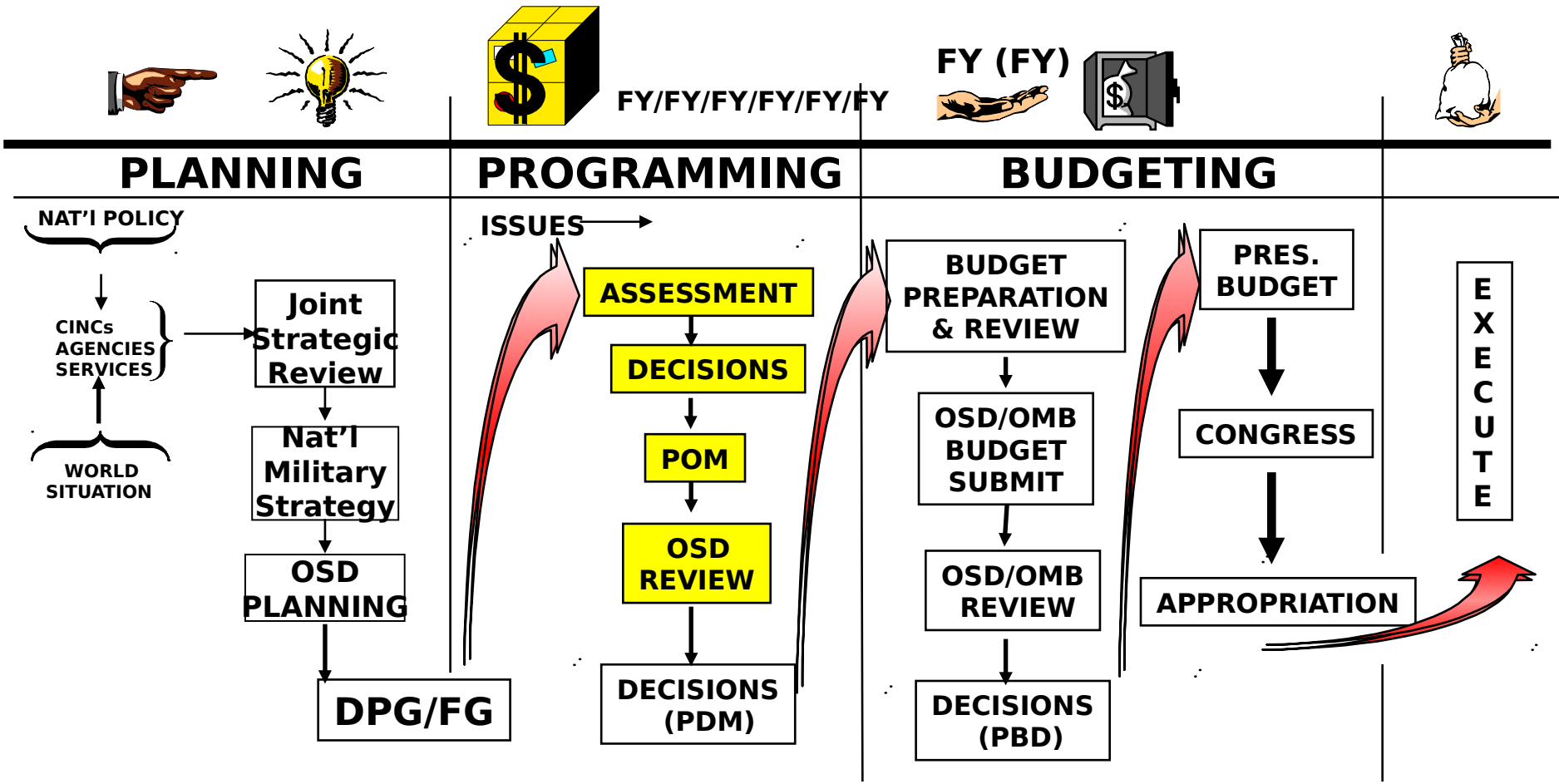
- Advocates (MAGTF/SE Focus)
  - Assistant Commandant of the Marine Corps (ACM)
    - HQMC
  - DC, Manpower & Reserve Affairs (M&RA)
    - Recruiting Command
  - DC, Aviation (AVN)
    - ACE
  - DC, Plans Policies & Operations (PP&O)
    - GCE, CBIRF, MCSF, MSG Bn
  - DC, Installations and & Logistics (I&L)
    - CSSE, Installations, MatCom
  - DC, Combat Development (CD)
    - CE, MCCDC, S&T
- Proponents (External Focus)
  - DC, Programs & Resources (P&R)
    - PPBE
  - DC, Aviation (AVN)
    - Aviation
  - DC, Plans Policies & Operations (PP&O)
    - Amphib Shipping, Mine Countermeasures, MPF, NSFS, Joint Non-Lethal Wpns
  - DC, Combat Development (CD)
    - C2

DC = Deputy Commandant

PPBE Overview: The Phases

PLANNING	PROGRAMMING	BUDGET
(To Meet The Threat)	(Fiscal Reality POM)	(Public Law)
FORCES AND SUPPORT LEVEL OBJECTIVES TO ACCOMPLISH THE MISSION	OBJECTIVES TRANSLATED INTO RESOURCE REQUIREMENTS	TIME-PHASED FINANCIAL EXECUTION
15+ YEARS	6 YEAR FYDP	2 YE
Unconstrained	Moderately Constrained	Constrained

PPBE: The Process



PPBE Changes

- Management Initiative Decision (MID) 913
  - Two Year Planning, Programming, Budgeting and Execution Process
  - Four Year Cycle
    1. Review and Refinement, 2. Formalize the Agenda
    3. Execution and Guidance, 4. Ensuring the Legacy
  - Continues with combined Program/Budget Review
  - QDR in year 2
  - DPG developed in years 2 & 4, refined in off-years
  - Limited POM/BES submission in years 1 & 3
  - Restricted Fiscal Guidance in years 1 & 3
- Heavy emphasis on Cost-Benefit Analysis, Performance Models & Metrics
  - Development ongoing for the Marine Corps

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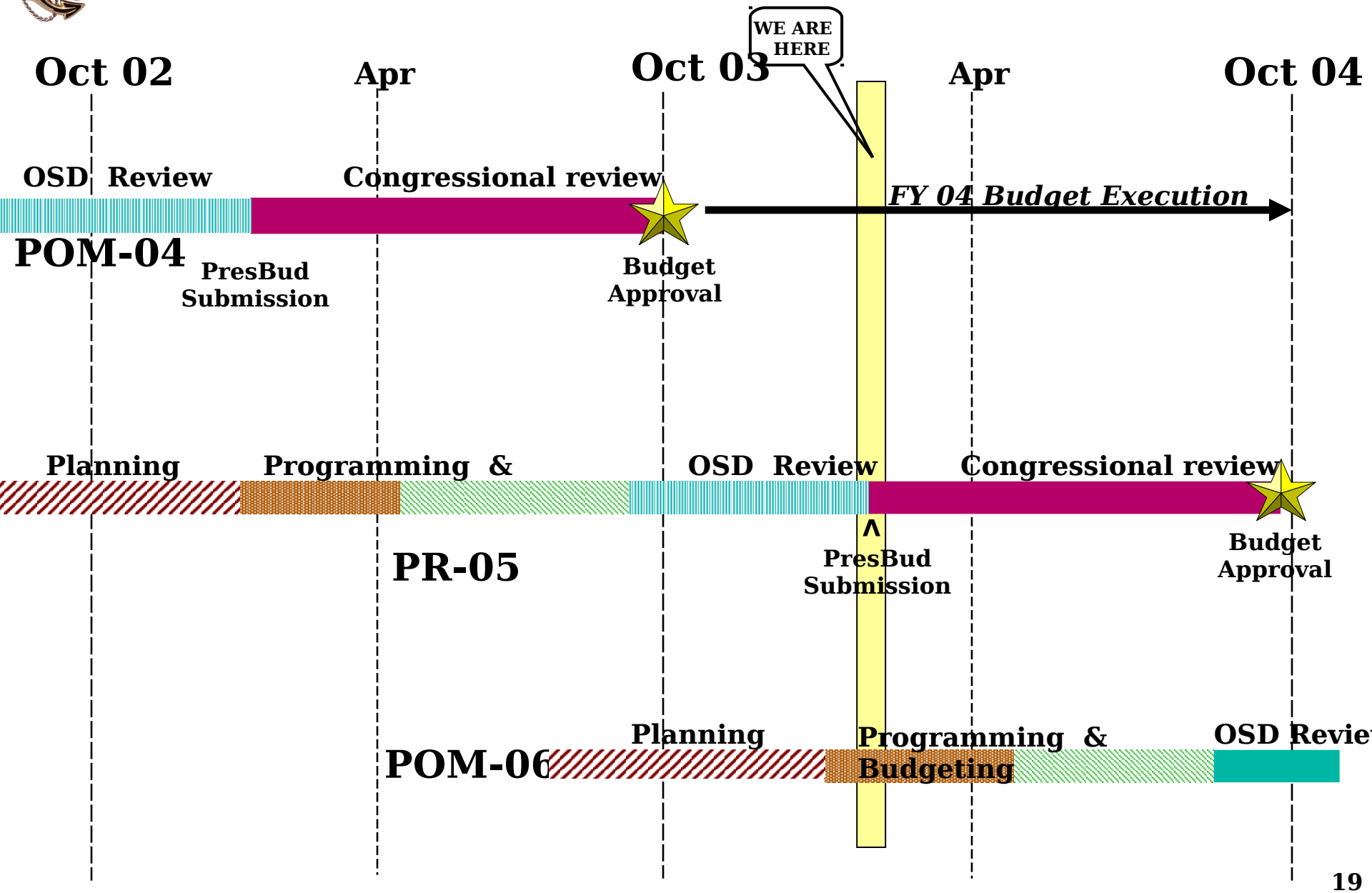
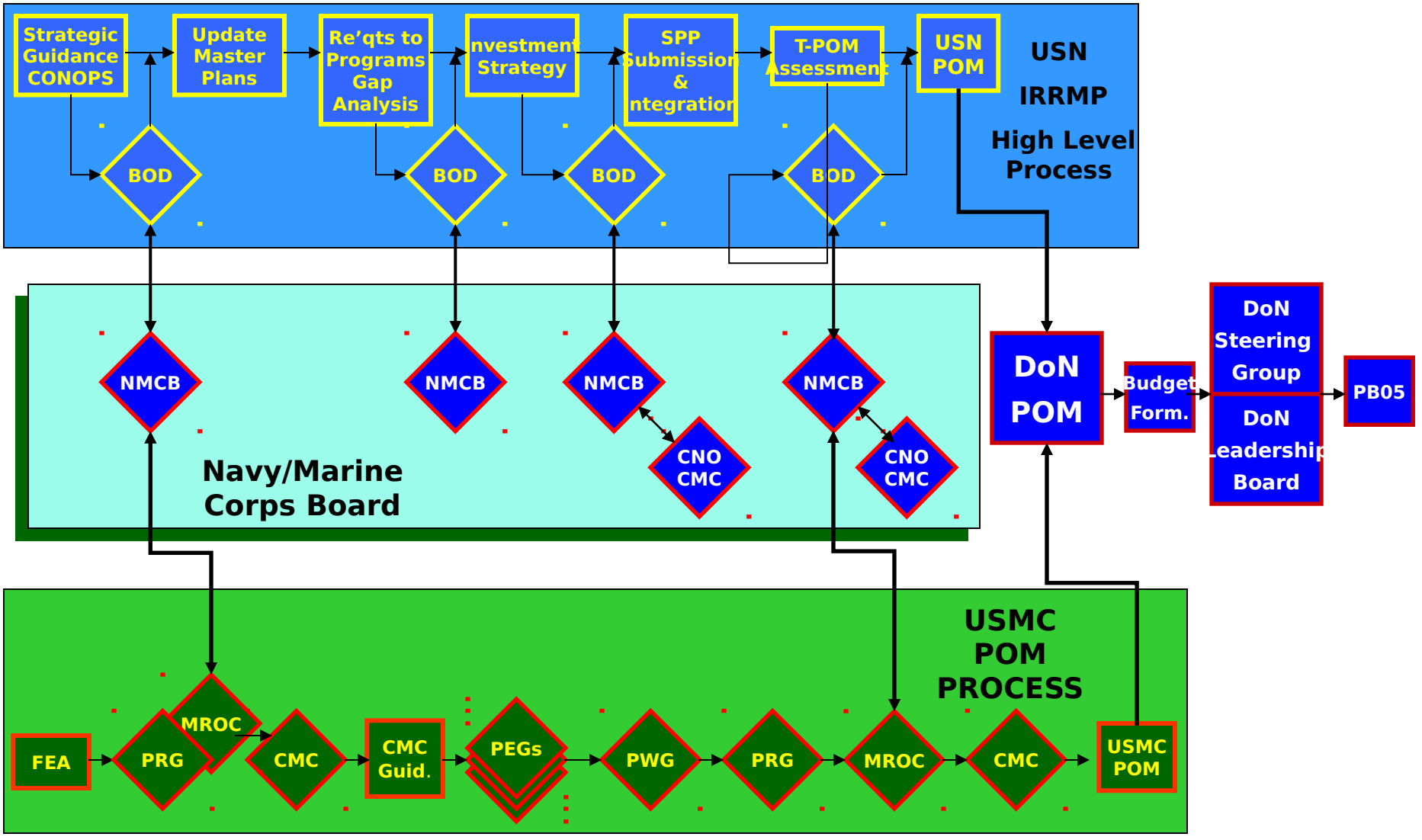
Overlapping PPBE Cycles



DoN Integrated Process

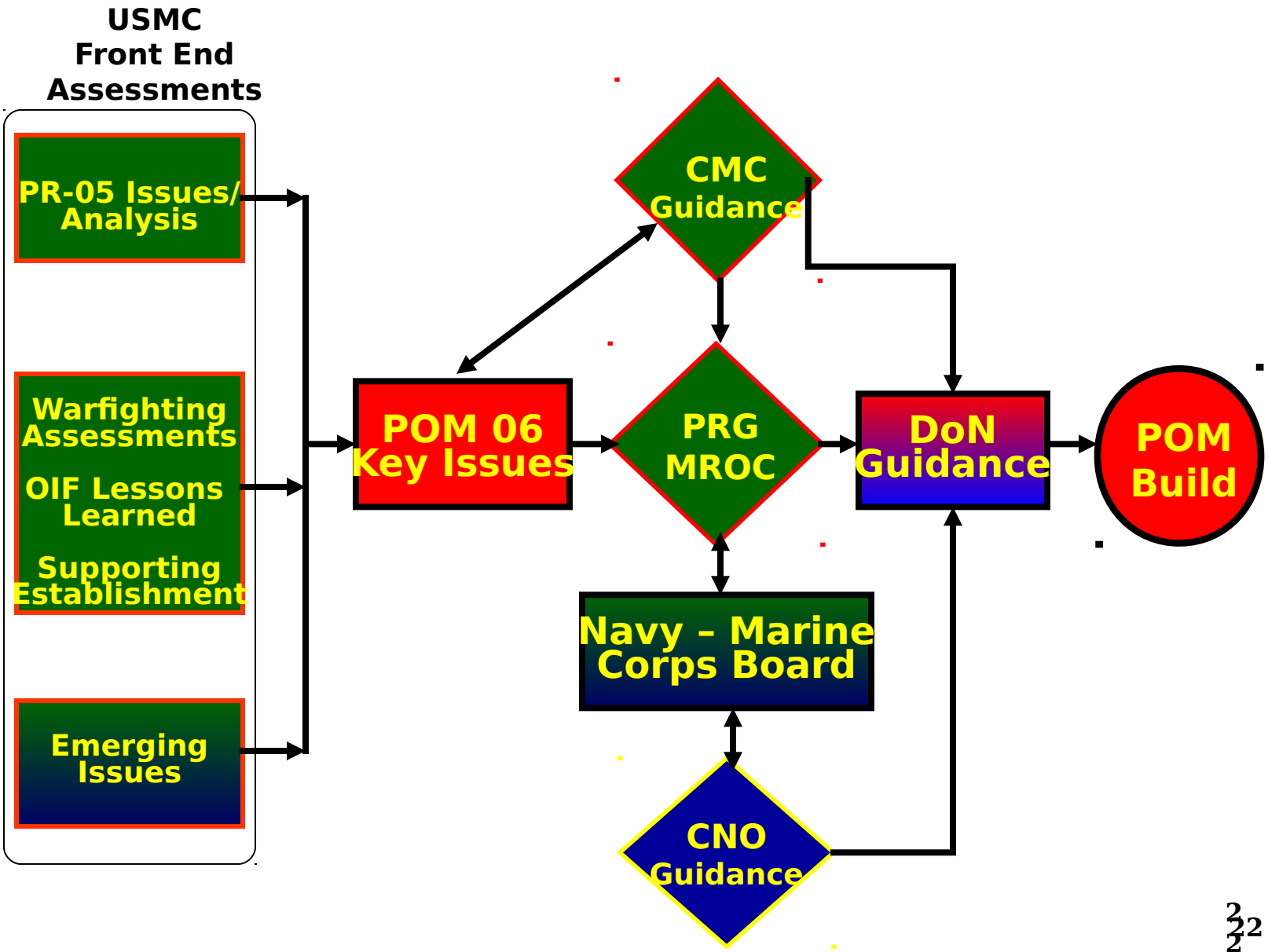


Marine Corps Program Development

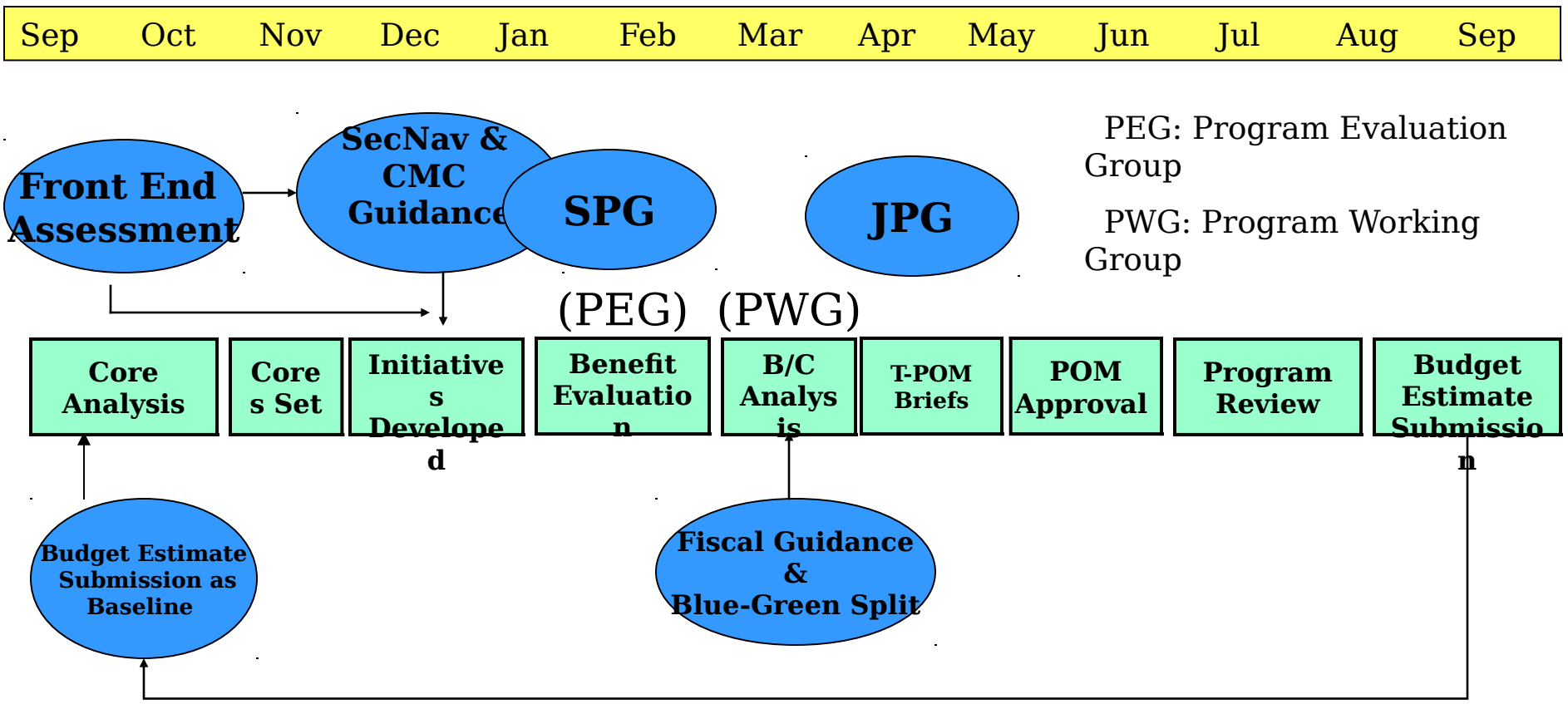
- **Top-down Guidance ….DC P&R Process Proponent**
- **Front-end Assessments**
- **Bottom-up Approach**
- **Fiscally Constrained**
- **Extensive Use of Benefit/Cost Analyses**
- **Prioritized**
- **Emphasizes Professional Judgment**
- **Committee approach:**
  - **MROC, CMC, then SECNAV, CMC, CNO**

Goal is a Balanced Program that best fills Marine Corps Needs Within Existing Resources

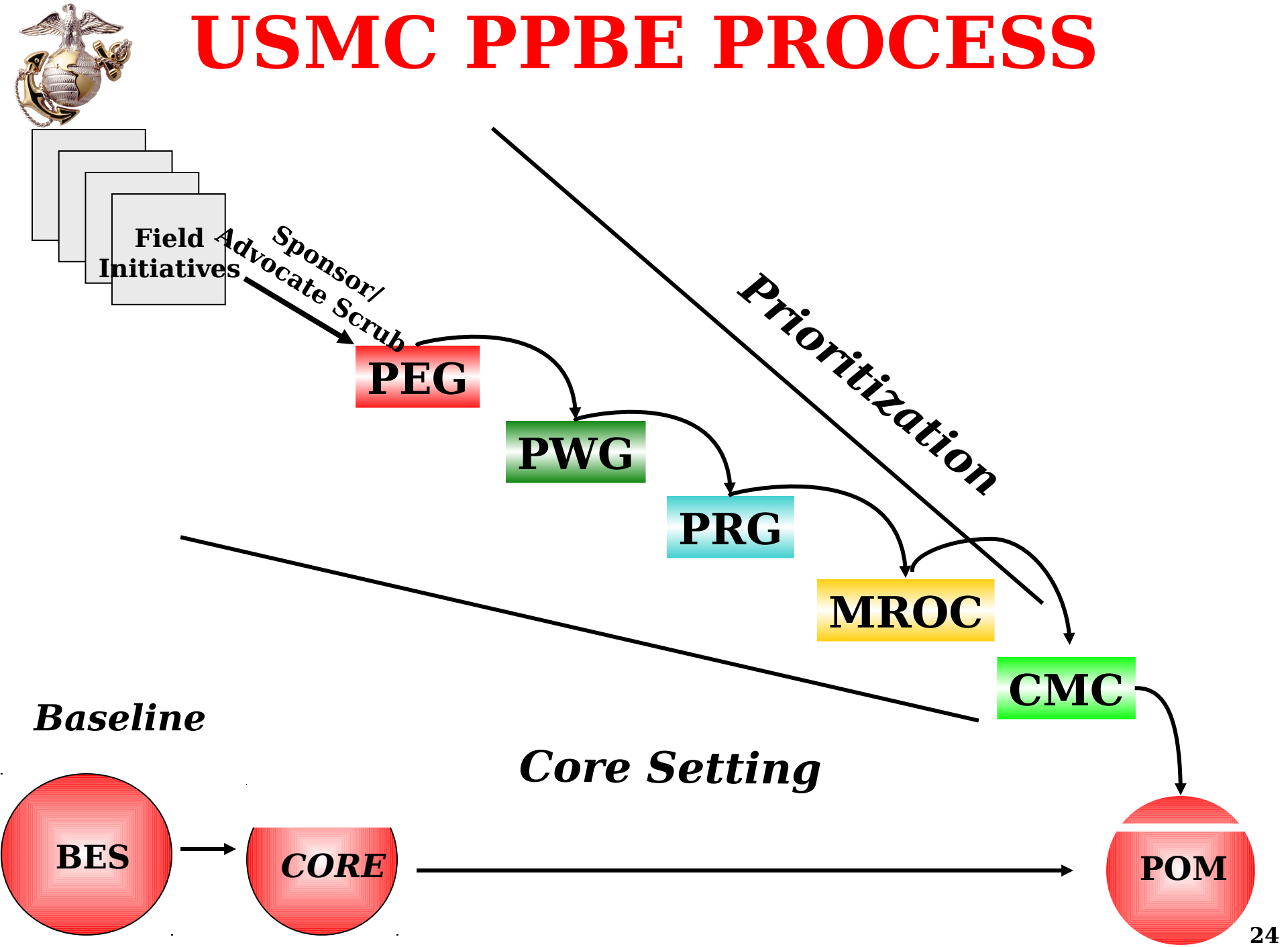
USMC Planning Process



Building A POM - Notional Timeline



USMC PPBE PROCESS



Core Development

Purpose:

- Establish programmatic baseline
- Recognize cost of doing business
- Maintain programmatic stability for well defined, executing programs
- Focus attention on discretionary portion of program
- Make resources available for competition

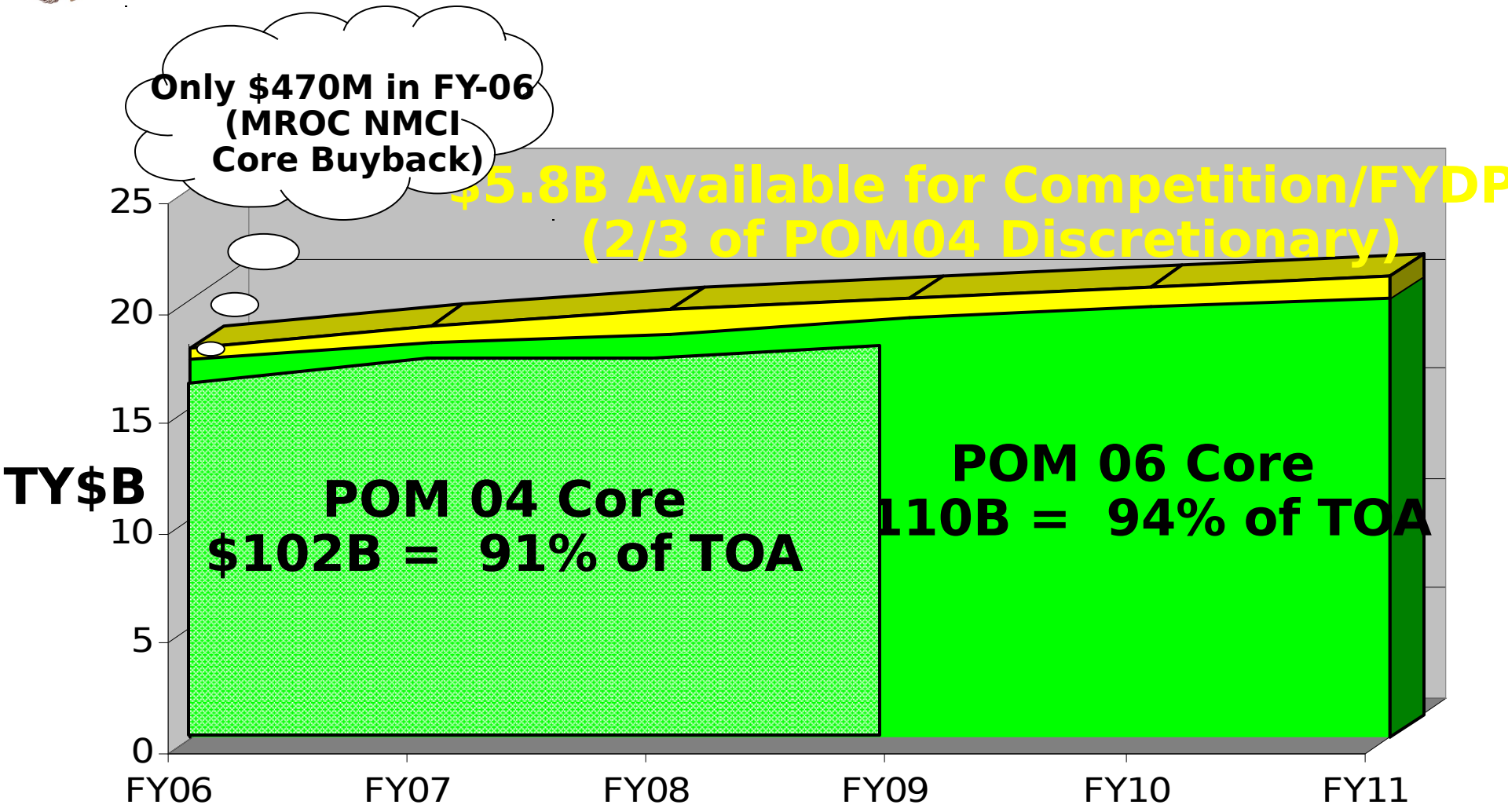
What They Are:

- **Programmatic tool**
- **POM Baseline**
- **Recognize past decisions**
- **Starting point**

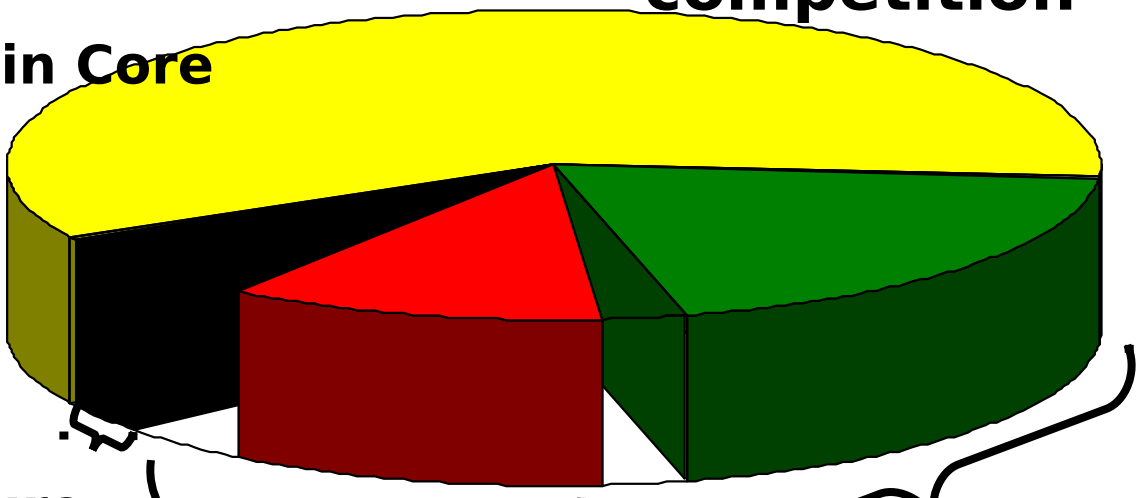
What They Aren't:

- **Wedges**
- **Benefit / Value evaluation**
- **Strategic plan**
- **Final product**

POM06 Core


Only $470M in FY-06
(MROC NMCI
Core Buyback)
$5.8B Available for Competition/FYDP
(2/3 of POM04 Discretionary)
TY$B
25
20
15
10
5
0
POM 04 Core
$102B = 91% of TOA
POM 06 Core
110B = 94% of TOA
FY06
FY07
FY08
FY09
FY10
FY11

POM06 Core Decrement



Criteria:

- **Investment programs not executing PMC year 1 of FYDP**
- **All programs requiring major changes**
- **Programs w/o performance measures or validated**

POM-06 "Above Core" Funding Available

	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	TOTAL
IN CORE	**17,057,725**	**17,748,607**	**18,146,716**	**18,656,997**	**19,024,898**	**19,404,037**	**110,038,981**
ABOVE CORE	**768,668**	**1,061,194**	**1,449,198**	**1,502,348**	**1,655,202**	**1,810,690**	**8,247,300**
% IN CORE	**96%**	**94%**	**93%**	**93%**	**92%**	**91%**	**93%**

← Core as set on 24 Nov

PBD OFFSETS	**-155,200**	**-131,800**	**-146,900**	**-168,000**	**0**	**0**	**-601,900**

← PBD / Endgame offsets reduced above core funding

NMCI	-307,000	-307,000	-306,000	-311,000	-318,000	-325,000	-1,874,000
Manpower Shortfall	-150,000	-150,000	-150,000	-150,000	-150,000	-150,000	-900,000
UOC	-54,000	-93,000	-123,000	-144,000	0	0	-414,000
LVSR	-32,000	-62,000	-97,000	-57,000	0	0	-248,000
CLAWS	-57,000	-55,000	-77,000	-37,000	0	0	-226,000
Multi-Role Radar System	-23,000	-53,000	-53,000	-55,000	0	0	-184,000
Expeditionary Fire Support Syste	-11,000	-22,000	-43,000	-50,000	0	0	-126,000
MILCON Buyback	-10,000	-10,000	-10,000	-10,000	0	0	-40,000

} Likely "must find" core decrement buy backs

Remaining above core	**-31,000**	**177,000**	**443,000**	**520,000**	**1,187,000**	**1,335,000**	**3,631,000**

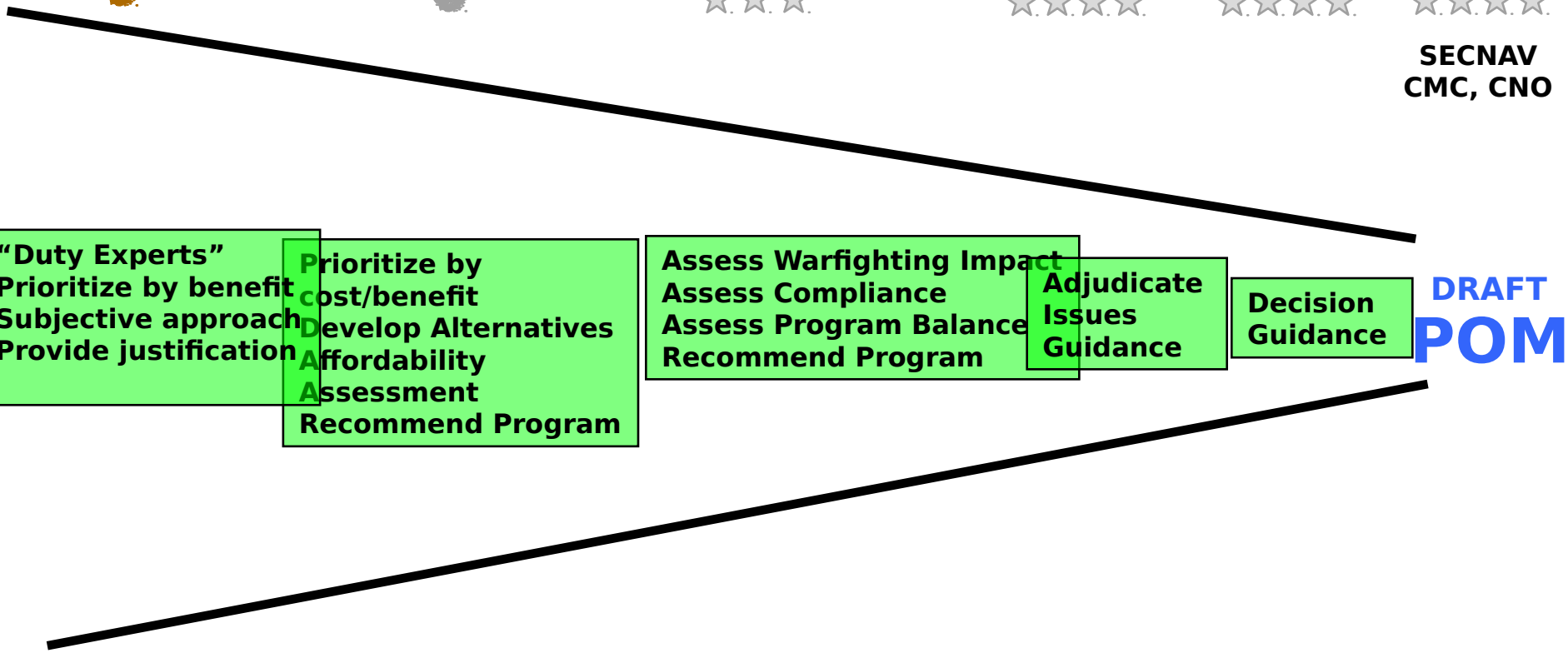
← What's left for competition

Many additional programs will be competing for core decrement "buy backs" or above core funding. Several new start efforts pending.

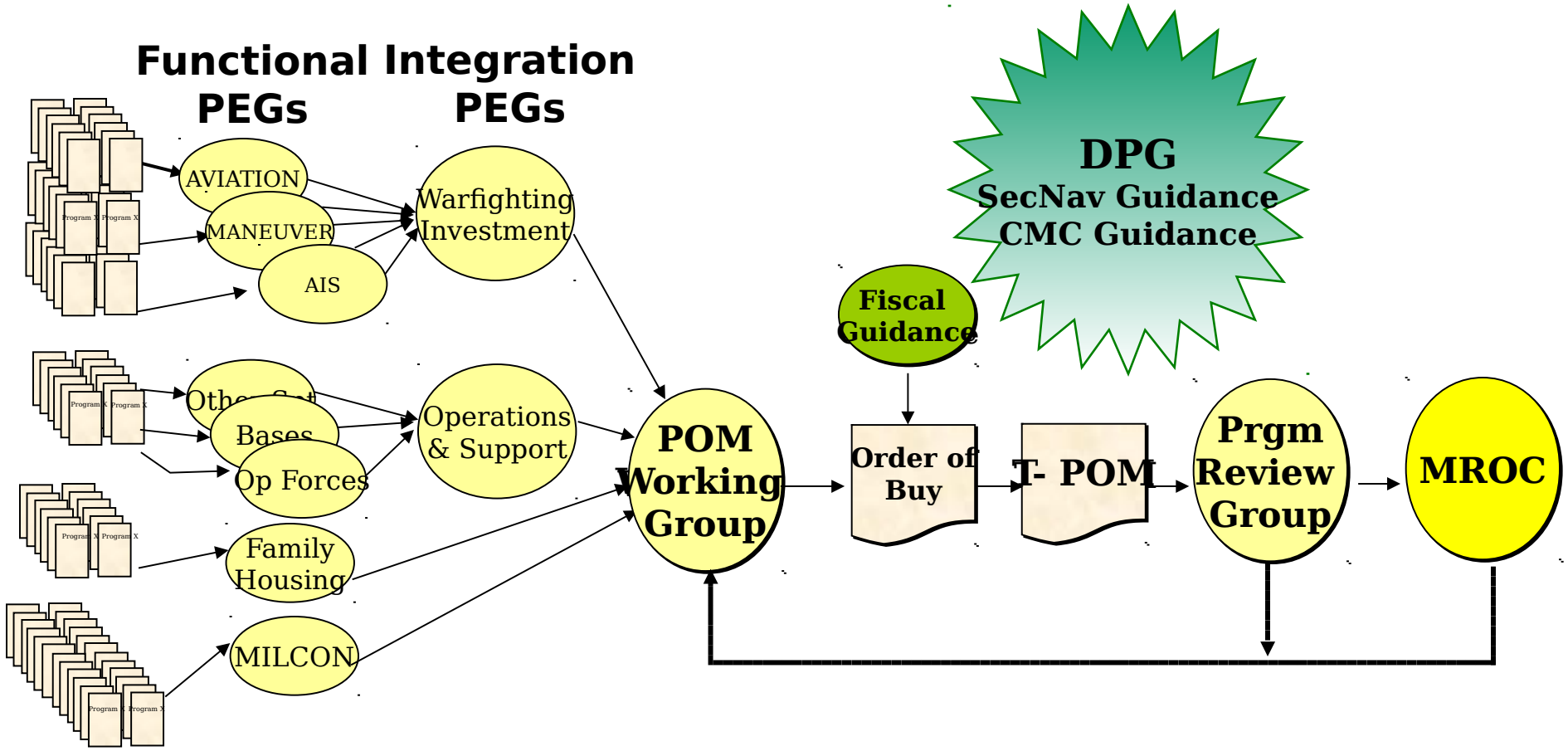
Initiatives

- **Used by program sponsors to compete for additional funds above their core level**
- **Method to Capture Justification and All Costs Associated with Specific Programs**
- **Three major types**
  - Core decrement buyback
  - Above core requests
  - New Initiatives
- **Decision Support System used for management**
- **Widely staffed throughout Marine Corps Advocates**
- **Data From Approved Initiatives Used To Build POM**

POM Committee Functio



USMC Programming: Benefits and Costs

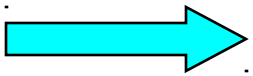


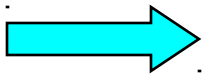
Program Requests

Note: For purposes of clarity, Manpower is not listed in the graphic above.

PEG Deliverable

Initiative	Prioritized	Relative Benefit
Howitzer Armored vehicle Anti-tank weapon Truck Rifle Enginee	1. Armored vehicle 2. Howitzer 3. Truck 4. Anti-tank weapon 5. Engineer	1. Armored vehicle - 100 2. Howitzer - 90 3. Truck - 40 4. Anti-tank weapon - 35 5. Engineer gear - 20 6. Rifle - 10





based on facts, discussion, experience, and expectation which enable tradeoffs

POM WORKING GROUP (PWG)

- Chaired by Program Development Officer
- Field Grade Officers
- Focus on Entire Program
- Merge PEG Outputs
- Introduce Cost
- Produce Draft Program for Review by Senior Leadership
- Recommend Issues for PRG Resolution

P&R (RPD)
MCCDC (EFDC)
MCCDC (T&E)
SYSCOM (PROG)
PP&O (POG)
M&RA (MP)
M&RA (RA)
AVN (APP)
I&L (LP)
I&L (L3)
C4
Intel
LOGCOM
MARFOR Reps

PWG Product

PEG Lists

Manpower

Family Housing

MilCon

O&M

Investment

Armored vehicle - 100

Howitzer - 90

Truck - 40

Anti-tank weapon - 35

Engineer gear - 20

Merged List

Armored Vehicle - 100

SRB Increase - 98

FH Core Reduction Restoration - 92

Howitzer - 90

Reserve MilCon Band - 50

JA Bonus - 45

Truck - 40

Base Support – 38

PWG Product

Merged List

Armored Vehicle - 100

SRB Increase - 98

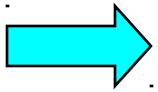
FH Restoration - 92

Howitzer - 90

Reserve MilCon Band - 50

JA Bonus - 45

Truck - 40



Apply Cost

Armored Vehicle – 100/25

SRB Increase – 98/20

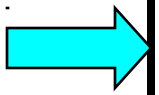
FH Restoration – 92/50

Howitzer – 90/30

Reserve MilCon Band – 50/250

JA Bonus – 45/300

Truck – 40/20



Order of Buy

SRB Increase – 4.9

Armored Vehicle – 4

Howitzer – 3

Truck – 2

FH Restoration – 1.8

Base Support – 0.95

Reserve MilCon Band – 0.2

JA Bonus – 0.15

PWG Product

Order of Buy

- SRB Increase – 4.9
- Armored Vehicle – 4
- Howitzer – 3
- Truck – 2
- ~~FH Restoration~~ – 1.8
- Base Support – 0.95
- Reserve MilCon Band – 0.2
- JA Bonus – 0.15

Tentative Program

Fiscal Guidance

For a Given Level of Funding, No Other Combination of Initiatives Will Provide More Benefit than Buying in B/C

PROGRAM REVIEW GROUP (PRG)

- Chaired by DC P&R
- General Officers/Senior Executive Service
- Assesses warfighting capabilities
- Verifies compliance with guidance
- Resolves intermediate issues and makes corresponding program adjustments
- Forwards major issues to ACMC/MROC/CMC

Deputy Commandant, P&R
Deputy Commandant, CD
Deputy Commandant M&RA
Deputy Commandant Aviation
Deputy Commandant PP&O
Deputy Commandant I&L
COMMARFORLANT
COMMARFORPAC
COMMARFORRES
Counsel
Director, C4
Director, Intelligence
LOGCOM
Public Affairs
OLA
Director, Fiscal Div
Director, Programming Div
N-8
N-80
ASN / DASN Reps Invited

USMC Final Approval

- PRG forwards T-POM to MROC
- MROC (ACMC) resolve final ‘heartburn” items
- CMC approves final product
- USMC POM forwarded to SecNav for inclusion in DoN POM

Marine Requirements Oversight Council (MROC)

ACMC
Deputy Commandant, P&R
Deputy Commandant, CD
Deputy Commandant M&RA
Deputy Commandant Aviation
Deputy Commandant PP&O
Deputy Commandant I&L

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POM-06 Timeline

- Core Briefings – Complete
- PWG Kick Off – 30 Sept
- PRG Kick Off – 22 Oct
- Core Set – 19 Nov
- PBDD Data Base Inputs 5 Jan – 6 Feb
- SPG & CMC Guidance – February
- PEGs – 17 Feb to 5 March
- PWG – 22 to 26 March
- PRG – Early April
- MROC – Late April
- JPG – April/May
- CMC Approval – May
- POM Submit – June

What we can Afford?

1,000 Marines *

130 HIMARS rocket pods

500 HMMWVs

~2 MILCON projects

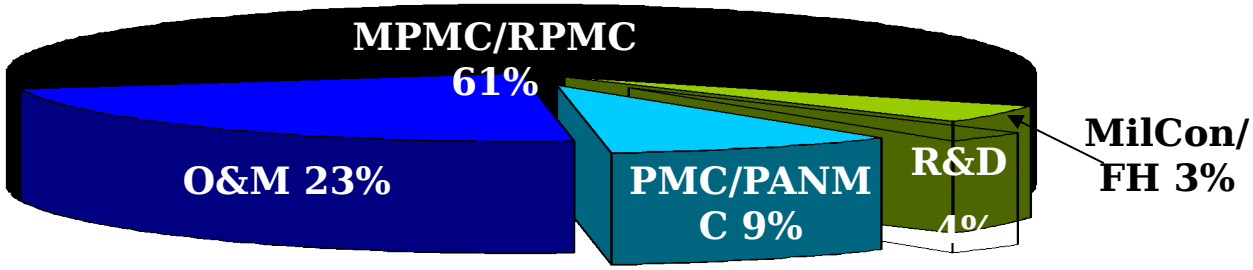
MCWL / LC FNC

15 CLAWS launchers & missiles

Rough Equivalent Costs ($60m)

* - O/E ratio of 1 to 8.5 using current total pay & allowance composite rates across

PR05 Program Overview



- **Green Program -** Must Pay bills reduced flexibility

  Military Personnel +450M (Food Service cost growth)

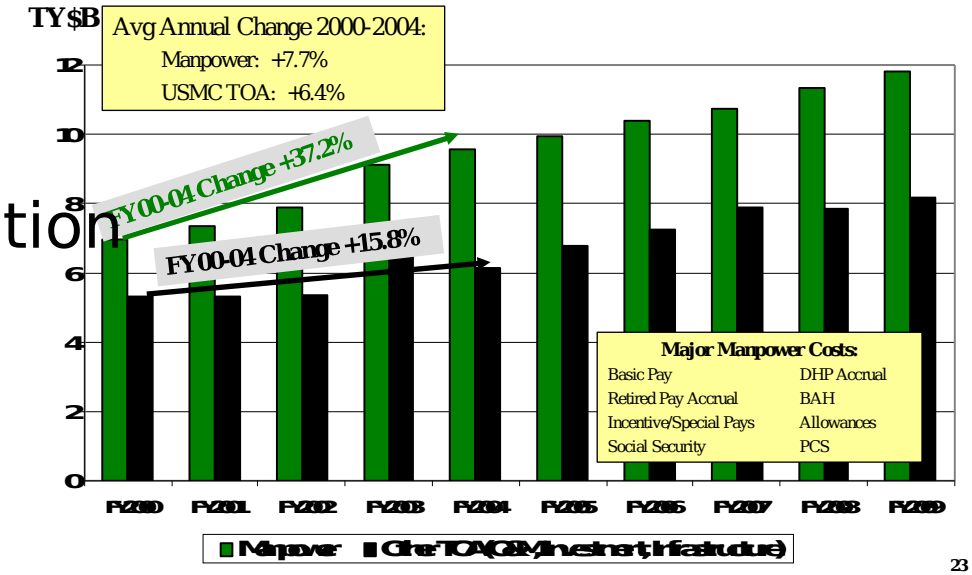
  Investments -$350M

  O&M -$100M

- **Major PR05 changes**
  - **AAV RAM/RS**-$49.9M (PMC) to RAM 60 additional vehicles in FY05
  - **Utilities**--$29.4M (OMMC) to fund utilities shortfalls
  - **Blount Island Operating Costs**--$16.1M (OMMC) to fund operations as BI installation
  - **Corrosion Prevention and Control**--$13.7M (OMMC) to restore previous funding decrements throughout the FYDP
  - **Deployable Virtual Training Environment**--$13M (PMC/OMMC) to fund the development of Joint National Training Capability initiatives in FY05
  - **Safety Billets** -$12M (OMMC) to fund Vehicle Safety Instructors

MANPOWER

- Largest Marine Corps Appropriation
- Growing faster than TOA
  - BAH, IDP, Con. Receipt, DHP, Retirement Accruals
- Smallest Degree of Flexibility
- Young Corps – 68% First-Term
  - 39,000 recruits required each year
- Issues
  - Stop Loss / Stop Move
  - Mobilization/Demobilization
  - BAH increases
  - Shift to PPV housing



INVESTMENT

- Sacrificed to fund near-term readiness in the mid-90's…..still doing it!
- Rate of modernization is insufficient
- 7 major systems IOC in FYDP….AAAV Bigger than next 5.
- Lots of interest in how this money is spent
  - Within the Marine Corps
  - Focus on Transformation by SecDe
  - Congressional

Top 10 USMC Investment Programs

Current $ NavCompt05	FY04	FY05	FY06	FY07	FY08	FY09	Total
AAAV	339	308	440	450	665	888	3090
HMMWV	127	134	144	162	161	45	774
UOC	39	53	61	152	167	158	630
HIMARS	25	21	170	246	70	55	587
LW-155	120	180	182	75	1	0	557
Computer Resources	57	65	82	96	97	99	495
Common Aviation C2	63	65	35	103	54	51	371
JTRS	22	35	38	106	86	79	366
FOTS	10	17	44	76	81	124	351
LVS Replacement	9	5	32	62	97	57	262

POM-06 Above Core Requests	FY04	FY05	FY06	FY07	FY08	FY09	Total
AAAV	-	-	4	15	4	4	27
HMMWV	-	-	0	0	0	170	170
UOC	-	-	16	10	34	43	103
HIMARS	-	-	3	10	20	6	39
LW-155	-	-	12	30	60	3	105
Computer Resources	-	-	9	9	-26	-12	-20
Common Aviation C2	-	-	27	-31	6	-10	-8
JTRS	-	-	27	86	96	98	307
FOTS	-	-	0	0	0	0	0
LVS Replacement	-	-	0	0	0	0	0

OPERATIONS AND MAINTENANCE

- General perception that O&M equals readiness
  - Difficulty matching performance models & metrics to dollars spent
- Many “must pay” issues are in O&M programs
  - Non-discretionary….external models
    - Base Ops
    - Utilities
- Many O&M areas exhibiting real growth
- Difficult to analyze
  - ABC/ABM at bases and stations making progress
- CivPers Costs / Mil to Civ Conversions
  - A-76, Outsourcing, Regional Contracting

Infrastructure

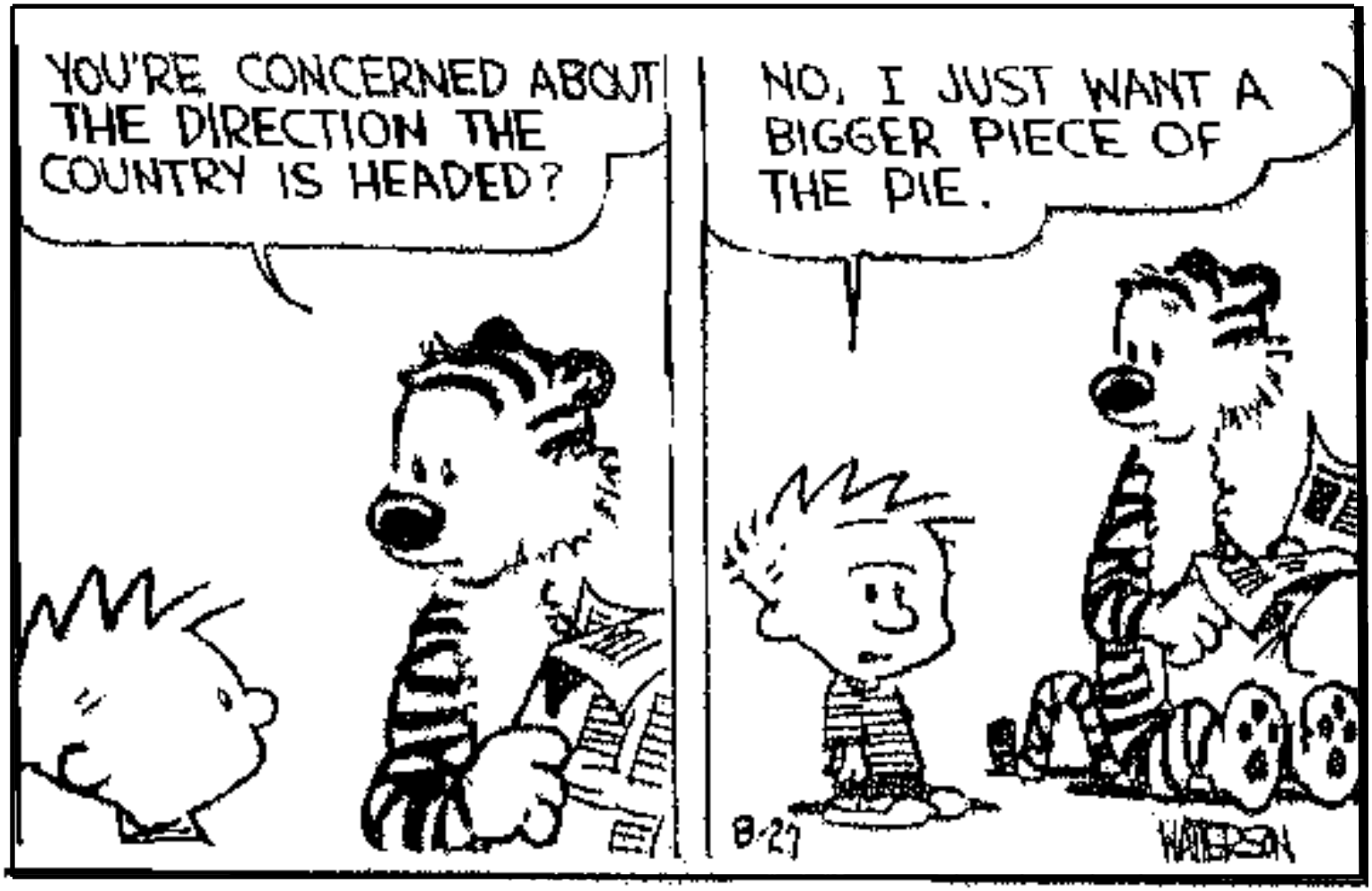
- Military Construction
  - Achieves BEQ 2x0 standard by 2012
- Family Housing

  Achieves DPG goal of eliminating inadequate housing units by 2007 Public-Private Venture (PPV) is essential to USMC effort
- FSRM
  - Funded Facilities Sustainment to 95% of OSD model across FYDP (to 93% in FY-05 = DoD minimum)
  - Funded Recapitalization rate to 71 years in ‘05 (OSD goal = 67 years)
  - C2 facilities read

Points of Contact

- RPD –Col Mark Brilakis, Branch Head, 692-5737
- (**POM Development**) LtCol Mark Miller, 692-5757
  - LtCol Tim Salmon, Assistant Program Development
  - Capt Brian Taylor, Manpower Analyst
  - Maj Eric Garretty, O&M Analyst
  - Capt Don Sanders, Infrastructure Analyst
  - Ms Tammy Koob, Investment Analyst
- (**Coordination)** LtCol Jim Duncan, 692-5773
  - Maj Mark Adams
  - Maj Gary Rotsch
  - Maj Mark Kustrar
- **(Blue Cell)** –CDR Bill Archer 692-5915
  - Maj Will Mayberry
  - Capt Chris Flynn

QUESTIONS?


YOU'RE CONCERNED ABOUT THE DIRECTION THE COUNTRY IS HEADED?
NO, I JUST WANT A BIGGER PIECE OF THE PIE.
B-27
WATTERSON

The POM: A Six Year plan

The POM is a 6-Year Defense Program
Managed by 3-Year Personnel,
It is Translated into a 2-Year Budget,
Which is Funded by a 1-Year Appropriation
(Typically Approved 1-6 Months Late),
Actually Formulated over a 3-Day Weekend
and Approved in a 1-Hour Decision